

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: <u>0 4 - 0 1 1</u>	2. STATE: CO
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE October 1, 2004	
5. TYPE OF PLAN MATERIAL (<i>Check one</i>):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS A NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: CFR 42 Section 447.253		7. FEDERAL BUDGET IMPACT: a. FFY <u>2005</u> \$ <u>24.0</u> Million <u>32.5</u> b. FFY <u>2006</u> \$ <u>0</u> <i>JS</i>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A Pages 17, 22, 28, 33		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>if applicable</i>): Attachment 4.19A Pages 17, 22, 28, 33	
10. SUBJECT OF AMENDMENT: Total Expenditure Adjustment for DSH and High-Volume Payments			
11. GOVERNOR'S REVIEW (<i>Check One</i>):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER AS SPECIFIED Governor's letter dated July 1, 2003 <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO:	
13. TYPED NAME: Marilyn Golden		Colorado Department of Health Care Policy and Financing 1570 Grant Denver, Colorado 80203 Attn: Trish Bohm	
14. TITLE: Director, Operations and Finance Office			
15. DATE SUBMITTED: August 10, 2004			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: AUG 11 2004		18. DATE APPROVED: DEC 15 2004	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: OCT - 1 2004		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: William Lasowski		22. TITLE: Acting Deputy Director	
23. REMARKS: Pen and ink change authorized by state			

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19A

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The funds available for the Low-Income Shortfall payment under the Disproportionate Share Hospital Allotment are limited by the regulations set by and federal funds allocated by the Centers for Medicare and Medicaid Services. Payments will be made consistent with the level of funds established and amended by the General Assembly, which are published in the Long Bill and subsequent amendments each year. Rate letters will be distributed to providers qualified to receive the payment each fiscal year and 30 days prior to any adjustment in the payment. Rate letters will document any change in the total funds available, the payment specific to each provider and other relevant figures for the specific provider so that providers may understand and independently calculate their payment.

Total funds available for this payment equal:

State Fiscal Year 2003-04 \$915,460

C. Colorado determination of Individual Hospital Disproportionate Payment Adjustment Associated with the Colorado Indigent Care Program and Bad Debt.

1. Effective July 1, 1993 Component 1 shall be superceded by a Disproportionate Share Adjustment payment method (herein described as Component 1a) which shall apply to any disproportionate share hospitals meeting the Medicaid inpatient utilization rate formula. This payment will apply to any disproportionate share hospitals meeting the Medicaid inpatient utilization rate formula of one or more standard deviations above the mean Medicaid inpatient utilization rate for hospitals receiving Medicaid payment in the State (as described above in this subsection, disproportionate Share Hospital Adjustments, paragraph (A)). Hospitals meeting these criteria shall be eligible for an additional Disproportionate Share payment adjustment as follows:
 - a. Each facility will receive a payment proportional to the level of low income care services provided, as measured by 94% of the hospital's reported Colorado Indigent Care Program costs (as adjusted for Third Party payments), less Colorado Indigent Care Program patient payments and Colorado Indigent Care Programs reimbursements.

TN No. 04-011

Supersedes

TN No. 04-007

DEC 15 2004

Approval Date _____

Effective Date 10/1/04

TITLE XIX OF THE SOCIAL SECURITY ACT
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The amount of available federal funds remaining under the Disproportionate Share Hospital allotment are distributed by the facility specific Bad Debt Costs relative to the sum of all Bad Debt Costs for qualified providers. Available Bad Debt charges are converted to Bad Debt costs using the most recent provider specific audited cost-to-charge ratio available as of March 1 each fiscal year. Bad Debt costs are inflated forward to the request budget year using the most recently available Consumer Price Index - Urban Wage Earners, Medical Care Index - Denver as of July.

Available funds under the Disproportionate Share Hospital Allotment are multiplied by the percentage resulting from dividing the hospital specific Bad Debt costs by the sum of all Bad Debt costs for qualified providers to calculate the Bad Debt payment for the specific provider. As required by the Social Security Act, Sec. 1923(g)(1)(A), no payment to a provider will exceed 100% of hospital specific Bad Debts costs.

The funds available for the Bad Debt payment under the Medicare Disproportionate Share Hospital Allotment are limited by the regulations set by and the federal funds allocated by the Centers for Medicare and Medicaid Services. Payments will be made consistent with the level of funds established and amended by the General Assembly, which are published in the Long Bill and subsequent amendments each year. Rate letters will be distributed to providers qualified to receive the payment each fiscal year and 30 days prior to any adjustment in the payment. Rate letters will document any change in the total funds available, the payment specific to each provider and other relevant figures for the specific provider so that providers may understand and independently calculate their payment.

Total funds available for this payment equal:

State Fiscal Year 2003-04 \$4,538,380

TN No. 04-011

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There will be two allotments for the Low-Income payment: state owned government hospitals plus non-state owned government hospitals, and privately owned hospitals. For state-owned government hospitals plus non-state owned government hospitals, the allotment is the available federal financial participation under the Disproportionate Share Hospital Allotment after the Low-Income Shortfall payment, while for privately owned hospitals the allotment is further limited by the level of General Fund established and amended by the General Assembly.

The available allotments under the Disproportionate Share Hospital Allotment are multiplied by the hospital specific Weighted Medically Indigent Costs divided by the summation of all Weighted Medically Indigent Costs for qualified providers in each specific allotment to calculate the Low-Income payment for the specific provider. As required by the Social Security Act, Sec. 1923(g)(1)(A), no payment to a provider will exceed 100% of hospital specific Medically Indigent costs.

For this section, Medicaid days, medically indigent days and total inpatient days will be submitted to the Department directly by the provider by April 30 of each year. If the provider fails to report Medicaid days, medically indigent days or total days to the Department the information will be collected from data published by the Colorado Health and Hospital Association in its most recent annual report available on April 30 of each year.

As required by federal regulations the sum of this payment and the Low-Income Shortfall payment will not exceed the federal financial participation under the Disproportionate Share Hospital Allotment. The Low-Income payment is made only if there is available federal financial participation under the Disproportionate Share Hospital Allotment after the Low-Income Shortfall payment.

The funds available for the Low-Income payment under the Medicare Disproportionate Share Hospital Allotment are limited by the regulations set by and the federal funds allocated by the Centers for Medicare and Medicaid Services. Payments will be made consistent with the level of funds established and amended by the General Assembly, which are published in the Long Bill and subsequent amendments each year. Rate letters will be distributed to providers qualified to receive the payment each fiscal year and 30 days prior to any adjustment in the payment. Rate letters will document any change in the total funds available, the payment specific to each provider and other relevant figures for the specific provider so that providers may understand and independently calculate their payment.

Total funds available for this payment equal:

State Fiscal Year 2003-04	\$163,061,100
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TN No. 04-011

Supersedes

TN No. 04-007

DEC 15 2004

Approval Date _____

Effective Date 10/1/04